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30 April 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Compensation and Tax Division Briefing, Office of Finance,  
25 April 1968, 1500 Hours

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2. [ ] began by indicating that they had added a Retirement Staff during the past year. This Staff computes the retirement pay due to annuitants. The Staff consists of only two people. Currently, approximately 180 checks per month are being issued. This is every increasing and will continue to grow in the years ahead. There is an indication that mechanization may help to the extent that few, if any, people will need to be added even when this branch is at maximum workload.

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3. [ ] explained that there are four payroll systems: (a) Vouchered Funds Payroll, (b) Staff Employees Overseas, [ ] Payrolls, and (d) Agent Payrolls. The Agent Payrolls are further broken down into (1) contract agents, (2) staff and career agents, (3) contract employees, and (4) contract employees (WAE). One person on the Staff can handle 1,500 persons per payroll period for vouchered funds payroll because it is 90 per cent automated. This ratio decreases to only 150 per person in one element of the agent payroll. The reason is that agent payrolls are almost entirely manually prepared. Mr. Bannerman asked if anticipated increase in automation is expected in other than vouchered funds payroll, and the indication was that there is some room for improvement in this area.

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25X1 5. With regard to the CIA Retirement System: On 31 December 1967, [ ] Agency employees belonged to the system. One hundred and forty-three (143) annuitants and 18 families of deceased employees were being paid by the Office of Finance. Benefits to annuitants range from \$160 per month to \$1,258 per month. Benefits to the families of deceased employees ranged from \$50 per month to \$577 per month.

25X1 6. [ ] indicated that their major problem is keeping up with four different kinds of payrolls for which they are responsible. So many employees have individual situations entirely different from any other agent or employee and, therefore, each case must be hand-tailored. For persons under cover, there are the problems of making up the difference where underpayments are involved and collecting if there are overpayments. While pay raises are fine for everybody, they are a real headache for the Compensation and Tax Division, particularly when the raises are retroactive. The vouchered side is relatively easy; but the confidential funds payrolls are difficult, particularly if a pay raise falls in the middle of a pay period. Almost any kind of payroll legislation presents a multitude of payroll problems for Compensation and Tax Division. Vouchered payroll clerks are GS-5's, and agent payroll clerks go up to GS-7's.

25X1 7. [ ] indicated that vouchered funds automation are all patched-up programs and information fields are all filled up; we really need a major redesign. He said that a meeting with [ ] representatives of the Office of Computer Services is being scheduled soon. [ ] indicated that their future plans include putting the retirement payment system on machines and also getting the Civil Service Retirement Record for other employees on a mechanized basis.

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8. Mr. Bannerman emphasized the importance of the work of the Compensation and Tax Division, and he stressed the importance of getting everybody concerned in the act at the earliest possible moment when any trouble is brewing in order that no possibility of a delay in payrolling will ever occur.

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[ ]  
Special Planning Assistant to the  
Deputy Director for Support

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